

# **Texas Low-Level Radioactive Waste Disposal Compact Commission**

## **Chair**

Brandon T. Hurley, Chair, TX

## **Vice-Chair**

John M. Salsman, Vice Chair, TX

## **Executive Director**

Leigh Ing

## **Mailing Address:**

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Administration@tllrwdcc.org

## **Commissioners**

Peter Bradford, VT  
Hon. Richard H. Dolgener, TX  
Linda Morris, LMP, TX  
Richard Saudek, VT  
Clint, Weber, TX  
Robert C. Wilson, TX

\*\*\*\*\*

## **Alternate**

Jane O'Meara Sanders, Ph.D., VT

January 31, 2018

The Honorable Greg Abbott  
Governor of Texas  
P.O. Box 12428  
Austin, Texas 78711-2428

The Honorable Phil Scott  
Governor of Vermont  
109 State Street Pavilion  
Montpelier, VT 05609

The Honorable Dan Patrick  
Lieutenant Governor of Texas  
P.O. Box 12068  
Austin, TX 78711

The Honorable David Zuckerman  
Lieutenant Governor of Vermont  
115 State Street  
Montpelier, Vermont 05633

The Honorable Joe Straus III  
Speaker of the House of Texas  
Room 2W.13  
P.O. Box 2910  
Austin, TX 78768

The Honorable Mitzi Johnson  
Speaker of the House of Vermont  
115 State Street  
Montpelier, VT 05633

## **Subject: Annual Report for 2017 TLLRWDCC Activities**

Dear Governor Abbott, Governor Scott, Mr. Patrick, Mr. Zuckerman, Mr. Straus and Ms. Johnson,

As suggested in Article III, Section 3.04, Paragraph 8 of the Texas Low-Level Radioactive Waste Disposal Compact, I am pleased to provide the 2017 annual report of the Texas Low-Level Radioactive Waste Disposal Compact Commission ("TLLRWDCC" or "Commission"). The Commission is the result of a federal law that created an interstate compact whose member states are Texas and Vermont. It was created to provide a safe and effective disposal facility for generators of low-level radioactive waste generated in Texas and Vermont and to allow Texas to restrict the import and disposal of wastes from states other than Texas and Vermont and from international sources.

This annual report provides: (1) a review of the mission statement of the TLLRWDCC; (2) the current organizational structure including board members and expiration dates; (3) the volumes of low level radioactive waste exported from and imported into the member states of the Compact; (4) a description of the revenue generated as a result of the agreements approved by the TLLRWDCC for the importation of

low-level radioactive waste into the Compact Waste Facility located in Andrews County, Texas that is operated by Waste Control Specialists; and (5) the status of the monitoring and protection of capacity for disposal at the Compact Waste Facility being done by the Commission. All independent audits conducted on behalf of the TLLRWDC in compliance with the Compact are provided on the TLLRWDC web-site at [www.tllrwdc.org](http://www.tllrwdc.org). The most recent audit that the Commission has received from its auditors is attached to this report.

## 1. Mission Statement:

It is the mission of the TLLRWDC to promote the health, safety and welfare of the citizens and the environment of the Compact's party states; to ensure the safe, effective, efficient, and economical disposal and management of low-level radioactive waste and to encourage the reduction of the generation thereof; and to distribute the costs, benefits and obligations among party states of this process; all in accord with the terms of the Compact. The primary activities of the Commission involve review and approval or denial of requests to ship waste from states other than Vermont and Texas to the Compact facility in Andrews, TX. Shipments from other states into the facility are called "imports." (See Table 2 below). From time to time, the Commission also has requests to "export" Texas or Vermont waste to a facility in another state (Table 3 below).

The TLLRWDC and its members have the powers and duties prescribed by the compact and the members of the commission are responsible for administering the provisions of the compact. Texas and Vermont are party states of the Compact. The party states recognize a responsibility for each state to effectively manage low-level radioactive waste generated within its boundaries, pursuant to the Low-Level Radioactive Waste Policy Act, as amended by the Low-Level Radioactive Waste Policy Amendments Act of 1985 (42 U.S.C. Sections 2021b-2021j). They also recognize that the United States Congress, by enacting the Act, has authorized and encouraged states to enter into compacts for the efficient management and disposal of low-level radioactive waste. It is the stated policy of the party states to cooperate in the protection of the health, safety, and welfare of their citizens and the environment and to provide for and encourage the economic management and disposal of low-level radioactive waste. It is the purpose of this compact to provide the framework for and facilitate such a cooperative effort.

## 2. Organizational Structure:

The TLLRWDC's governing body is composed of six volunteer commissioners appointed by the Governor of Texas and two commissioners and an alternate appointed by the Governor of Vermont. To support the commissioners, the TLLRWDC has under contract one Executive Director who is responsible for managing the Commission's day-to-day operations and one Deputy Executive Director who provides support. Board members and their term expiration dates are provided below in Table 1.

**Table 1: Board Members and Term Expiration Dates**

Board Member	State	Term Expiration Date
Brandon T. Hurley (Chair)	TX	August 31, 2019
John M. Salsman (Vice-Chair)	TX	August 31, 2017
Linda Morris, LMP	TX	August 31, 2021
Clint J. Weber	TX	August 31, 2019

Richard H. Dolgener	TX	August 31, 2021
Robert C. Wilson	TX	August 31, 2017
Richard H. Saudek	VT	**
Peter Bradford	VT	**
Jane O'Meara Sanders (Alternate)	VT	**

\*\* Vermont Commissioners serve at the pleasure of the Governor of Vermont

### 3. Approved Import and Export Waste Volumes

There are 60 active import agreements executed which may have resulted in waste shipments during 2017. These agreements are detailed below in Table 2. The term “volume”, as used in this report, is defined as the total volume of low-level radioactive waste proposed for disposal by out-of-compact generators measured in cubic feet. The term “Curies”, as used in this report, is the unit of measure describing the intensity of radioactivity (produced by the disintegration of radioactive elements) associated with the waste proposed for disposal estimated at the time of receipt of the waste at the Compact Waste Facility in Andrews, Texas.

**Table 2: Import Agreements Impacting 2017**

<b>Petitioner</b>	<b>Volume (ft<sup>3</sup>)</b>	<b>Curies</b>	<b>State</b>
AeroJet Ordinance	1,152	33	TN
Alaron Veolia	1,125	1	multi
Alaron Veolia	53	125	multi
Arizona Public Service – Palo Verde	1,200	600	AZ
Bionomics	300	200	multi
Dominion Kewaunee	310	150	WI
Duke Energy - Brunswick	650	1,200	NC
Duke Energy - Brunswick	250	60,000	NC
Duke Energy Crystal River	100	10	FL
Energy Solutions - Bear Creek	1,000	10,000	TN
Entergy Grand Gulf	464	160,000	MS
Entergy Pallisades	242	75	MI
Entergy Pallisades	80	18,000	MI
Entergy Riverbend	290	100,000	LA
Exelon Generation	4,225	6,500	multi
Exelon Generation	3,200	4,000	multi
NextEra	125	400	WI
Perkin Elmer	380	190	MA
PG&E Diablo Canyon	190	250	CA
Qal-Tek	36.80	82.00	multi
RAM Services	23	48	multi

RAM Services	30	64	multi
Southern Nuclear	1,058	1,750	GA
Tennessee Valley Authority	5,000	2,000	TN
Thermo Process	600	800	multi
Thomas Gray	1,175	200	multi
U.S. Army	1,440	41	TN
Xcel Monticello	245	250	MN
Xcel Prairie Island	2,500	500	MN
AeroJet Ordinance	480	14	TN
Alaron Veolia	63	125	multi
Alaron Veolia	500	3	multi
Alaron Veolia	120	4	multi
Bionomics	350	400	multi
Dominion Kewaunee	130	2,000	WI
Dominion Kewaunee	10	1	WI
Dominion Kewaunee	250	250	WI
Duke Energy - Brunswick	175	47,000	NC
Duke Energy - Brunswick	400	500	NC
Energy Solutions	300	2,000	NY
Energy Solutions	650	7,500	TN
Entergy – Palisades	250	100	MI
Entergy – Palisades	250	20,000	MI
Entergy - River Bend	1,000	5,000	LA
Exelon Generation	4,255	6,500	multi
NextEra - Point Beach	125	400	WI
NextEra - Turkey Point	732	1,950	FL
Perkin Elmer	420	195	MA
PG&E Diablo Canyon	278	430	CA
Philotechnics	50	30	multi
RAM Services	38	122	multi
Southern Nuclear - Vogtle	550	400	GA
Southern Nuclear - Hatch	250	600	GA
Southern Nuclear - Hatch	290	36,000	GA
Tennessee Valley Authority	600	120,000	AL
Tennessee Valley Authority	5,000	3,000	multi
Thomas Gray	2,000	1,000	multi
U.S. Army	18,000	271	multi
AeroJet Ordinance	720	21	TN
Xcel Energy - Prairie Island	2,500	500	MN

There were 16 export agreements executed which may have resulted in low level radioactive waste being shipped out of the Compact during 2017. These agreements are detailed below in Table 3.

**Table 3: Export Agreements Impacting 2017**

<b>Petitioner</b>	<b>Volume (ft<sup>3</sup>)</b>	<b>Curie Content</b>	<b>State</b>
Entergy - Vermont Yankee <sup>1</sup>	7,580	0.2	Vermont
Luminant-Comanche Peak <sup>1</sup>	18,000	2	Texas
STPNOC <sup>1</sup>	20,592	0.61	Texas
SWRI <sup>1</sup>	160	0.02	Texas
Texas A&M Kingsville	20	0.001	Texas
Texas A&M <sup>1</sup>	16.0	0.005	Texas
Peloton Therapeutics	25	0.001	Texas
SWRI	200	0.05	Texas
Luminant-Comanche Peak	16,000	5	Texas
Entergy – Vermont Yankee	6,000	0.2	Vermont
STPNOC	24,623	0.68	Texas
University of Houston	4.01	0.01	Texas
Midland Memorial Hospital	4.01	0.001	Texas
Trinity University	15	0.002	Texas
UT HSC Houston	8	0.001	Texas
UT Medical Branch	17	0.25	Texas

<sup>1</sup> Agreement signed in 2016

#### **4. Revenue Associated with Agreements Approved by the TLLRWDCC**

As a result of import agreements entered into in 2016 and 2017, a number of shipments were made from out-of-compact generators to the Compact Waste Facility in Andrews, TX. Each of these out-of-compact shipments resulted in a fee equal to 20% of the amount charged for disposal being paid to the Texas Commission on Environmental Quality, which oversees the operations of the facility. The quarterly totals of the out-of-compact disposal fees for 2017 are listed below in Table 4. Also provided in Table 4 are the annual out-of-compact disposal fees collected each year since 2012, when the Compact Waste Facility began to take out-of-compact radioactive waste.

**Table 4: Breakdown of Fees from Out –of-Compact Disposal - FY 2017**

<b>Description</b>	<b>Quantity (\$)</b>
1 <sup>st</sup> Quarter 2017	873,500.44
2 <sup>nd</sup> Quarter 2017	1,558,117.40
3 <sup>rd</sup> Quarter 2017	625,412.08
4 <sup>th</sup> Quarter 2017	1,642,531.20
Total Fees 2017	4,699,561.12

Description	Quantity (\$)
Total Fees 2016	3,132,315.05
Total Fees 2015	11,037,231.18
Total Fees 2014	3,666,357.39
Total Fees 2013	5,910,178.16
Total Fees 2012	2,522,275.80
<b>Total Fees – FY 2012 to FY 2017</b>	<b>30,967,918.70</b>

##### 5. Monitoring and Protection of Capacity at Compact Waste Facility

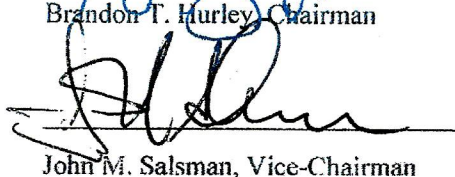
Another primary mission of the TLLRWDC is to ensure adequate capacity exists at the Compact Waste Facility in Andrews County for both party states' generators of low level radioactive waste. To this end, each application is reviewed to ensure the proposed disposal by out-of-compact generators will not adversely impact the reserved capacity of the Compact Waste Facility. Specifically, each import application is reviewed by the Technical Committee of the TLLRWDC to ensure that the requested volume and curies, when added with other authorized shipments, will not impinge upon the capacity reserved for member state generators. As of November 30, 2017, the total volume of out-of-compact waste disposed of in the Compact Waste Facility (114,501 cubic feet) totals 1.27% of the permitted volumetric capacity of the Compact Waste Facility and the total curies associated with these same volumes of disposed waste (438,269 Ci) totals less than 11.3% of the permitted curies for the facility.

Thank you for the opportunity to provide this report, and please let us know if you have any questions or comments.

Sincerely,

  
Brandon T. Hurley, Chairman

1/31/2018  
Date

  
John M. Salsman, Vice-Chairman

1/31/2018  
Date

Attachment: 2016 Audit of the TLLRWDC

CC: Linda Morris, Commissioner  
Clint J. Weber, Commissioner  
Richard H. Dolgener, Commissioner  
Robert C. Wilson, Commissioner  
Richard H. Saudek, Commissioner  
Peter Bradford, Commissioner  
Jane O'Meara Sanders, Commissioner (Alternate)



TEXAS LOW LEVEL RADIOACTIVE WASTE  
DISPOSAL COMPACT COMMISSION

FINANCIAL STATEMENTS  
AND OTHER INFORMATION  
WITH INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED AUGUST 31, 2016



MONDAY RUFUS & CO., P.C.

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CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

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INDEPENDENT AUDITORS' REPORT

To the Commissioners of the  
Texas Low Level Radioactive Waste Disposal Compact Commission

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Texas Low Level Radioactive Waste Disposal Compact Commission (hereafter the "Commission") as of and for the year ended August 31, 2016, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of August 31, 2016, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis section which precedes the basic financial statements be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Monday Rufus & Co., P.C.*

Austin, Texas

July 19, 2017

TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2016

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

In this section of the annual financial report, the management of Texas Low Level Radioactive Waste Disposal Compact Commission (hereafter the "Commission"), discusses and analyzes the Commission's financial performance for the fiscal year ended August 31, 2016. Please read it in conjunction with the independent auditor's report on Page 1, and the Commission's Basic Financial Statements which follow this section.

## **FINANCIAL HIGHLIGHTS**

- The Commission's net position decreased by \$350 as a result of this year's current operations, to end at a zero balance.
- Operating expenditures of the Commission rose to \$303,245 for the current year, or 11% higher over the prior year.

## **USING THIS ANNUAL REPORT**

This annual report consists of three parts: Management's Discussion and Analysis (MD&A) (this section), the Basic Financial Statements, and the Notes to the Financial Statements.

The purpose of the MD&A is to provide an objective and easily readable analysis of the financial activities of the Commission for the year. It is based on currently known facts and conditions and also provides comparisons to prior year financial information.

For purposes of external financial reporting, the Commission is considered to be a special-purpose government engaged only in business-type activities. For organizations such as these, the Governmental Accounting Standards Board (GASB) specifies the Basic Financial Statements should consist of the following:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Fund Net Position
- Statement of Cash Flows

These financial statements report the Commission's financial activities and show how revenues for the period compared to expenses as well as provide information on cash flows. They are prepared using the full-accrual basis of accounting and reflect the flow of total economic resources in a manner similar to the financial reports of a private business enterprise.

The notes to the financial statements communicate information essential for the fair presentation of the financial information that is not displayed on the face of the financial statements. As such, the notes are an integral part of the Basic Financial Statements.

TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2016

**ABOUT THE TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION**

The Commission is an Interstate Compact enacted into law in Texas and Vermont in 1993 and was authorized by the Texas Low Level Radioactive Waste Disposal Policy Consent Act approved by Congress as Public Law 105-236 on September 20, 1998. While closely monitored by the State of Texas, the Commission is not considered to be a State agency. However, the Commission is considered to be a discretely presented component unit by the Texas Comptroller of Public Accounts for the purpose of financial reporting by the State of Texas.

The Commission is managed by contracted professionals who perform duties such as preparation and proposal of the annual budget, development of the strategic plan, coordination of inter-agency relationships, and other daily functions.

**FINANCIAL ANALYSIS OF THE COMMISSION**

The primary purpose of the financial statements of the Commission is to report assets and liabilities of the Commission and to show whether the Commission is better off or worse off as a result of current year financial activities. The Statement of Net Position includes all the Commission's assets and liabilities at the end of the year while the Statement of Revenues, Expenses, and Changes in Net Position includes all the revenues and expenses generated or incurred by the Commission's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. For the current year, the Commission reported a single revenue source, *Disposal Fees*, which reflects an allocation from the State of Texas to carry out the Commission's activities. All the Commission's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report the Commission's net position and changes in net position. The Commission's net position (the difference between assets and liabilities) provides one measure of the Commission's financial health. Over time, increases or decreases in the Commission's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the Commission however, you should also consider nonfinancial factors as well, such as the current political environment related to the activities of the Commission and possible future changes to the support levels provided by the states of Texas and Vermont.

Table-I on the following page shows the net position of the Commission as of August 31, 2016 as well as comparative information for the year ended August 31, 2015. The two-year comparison shows that net position decreased from the prior year by \$350.

Table-II on the following page provides details into the change in net position. As shown on the table, the increase in revenues for the year of \$31,184 over the prior year approximated the increase in expenses of \$28,823. The increase in disposal fees was a result of the increase in expenses and therefore the Commission was able to retain a higher amount of its original State funds allocation. Increased costs for professional and contracted services during fiscal year 2016 were the primary driver of the increase in overall expenses of the Commission.

TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2016

**Table I**  
**NET POSITION**

	Year Ended 8/31/16	Year Ended 8/31/15	Change
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 305,480	\$ 332,592	\$ (27,112)
Deposits	2,000	-	2,000
Total Assets	307,480	332,592	(25,112)
<b>LIABILITIES</b>			
Accounts Payable	27,086	24,285	2,801
Due to State	280,394	307,957	(27,563)
Total Liabilities	307,480	332,242	(24,762)
<b>NET POSITION</b>			
Unrestricted Net Position	-	350	(350)
Total Net Position	\$ -	\$ 350	\$ (350)

**Table II**  
**CHANGES IN NET POSITION**

	Year Ended 8/31/16	Year Ended 8/31/15	Change
<b>OPERATING REVENUES:</b>			
Disposal Fees	\$ 302,895	\$ 271,711	\$ 31,184
Total Revenue	302,895	271,711	31,184
<b>OPERATING EXPENSES:</b>			
Professional and Contracted Services	256,950	225,992	30,958
Travel	27,659	30,355	(2,696)
Dues and Fees	10,200	10,500	(300)
Materials and Supplies	537	2,288	(1,751)
Communications and Utilities	1,612	2,728	(1,116)
Rentals and Leases	3,936	1,209	2,727
Other Operating Costs	2,351	1,350	1,001
Total Expenses	303,245	274,422	28,823
Change in net position	(350)	(2,711)	2,361
Net position at 9/1/15 and 9/1/14	350	3,061	(2,711)
Net position at 8/31/16 and 8/31/15	\$ -	\$ 350	\$ (350)



TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2016

**CAPITAL ASSETS AND LONG-TERM DEBT**

As of August 31, 2016 the Commission had not recorded depreciable capital assets related to its operations. In addition, there was not short or long-term debt obtained in the name of the Commission.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Commission's valuable mission of responsibly overseeing the disposition of low-level radioactive waste generated within the boundaries of the party states is expected to continue to be fully supported and funded by the partner states of Texas and Vermont in the upcoming and future years.

The Commission's budget each year is set based on expected funding from the State of Texas along with estimates of anticipated expenses that will be required to fund operations within the constraints of the revenue budget. The Commission has projected an expense budget of \$583,300 for the upcoming 2017 fiscal year.

**CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT**

This financial report is designed to provide to the Commissioners of the Texas Low Level Radioactive Waste Disposal Compact Commission and the citizens of the states of Texas and Vermont with a general overview of the Commission's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Commission's administration office at (512) 217-8045. General information about the Commission can be found at the Texas Low Level Radioactive Waste Disposal Compact Commission's website at [www.tllrwdcc.org](http://www.tllrwdcc.org).

## BASIC FINANCIAL STATEMENTS

TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION  
STATEMENT OF NET POSITION  
AUGUST 31, 2016

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**ASSETS**

Cash and Cash Equivalents	\$ 305,480
Deposits	2,000
Total Assets	<u>307,480</u>

**LIABILITIES**

Accounts Payable	27,086
Due to State	280,394
Total Liabilities	<u>307,480</u>

**NET POSITION**

Unrestricted Net Position	<u>-</u>
Total Net Position	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.

TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

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OPERATING REVENUES:

Disposal Fees	\$ 302,895
Total Revenues	<u>302,895</u>

OPERATING EXPENSES:

Professional and Contracted Services	256,950
Travel	27,659
Dues and Fees	10,200
Materials and Supplies	537
Communications and Utilities	1,612
Rentals and Leases	3,936
Other Operating Costs	<u>2,351</u>
Total Expenses	<u>303,245</u>
Change in Net Position	(350)
Total Net Position - Beginning (as restated)	<u>350</u>
Total Net Position - Ending	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.

TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

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Cash Flows from Operating Activities:

Cash Received from Disposal Fees	\$ 275,332
Cash Payments for Professional Fees and Contracted Services	(256,950)
Cash Payments for Travel	(27,659)
Cash Payments for Other Operating Activities	<u>(17,835)</u>
Net Cash provided by (Used for) Operating Activities	<u>(27,112)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(27,112)
Cash and Cash Equivalents at Beginning of the Year	<u>332,592</u>
Cash and Cash Equivalents at the End of the Year:	<u><u>\$ 305,480</u></u>

Reconciliation of Operating Income (Loss) to Net Cash

Provided by (Used for) Operating Activities:

Operating Income (Loss):	\$ (350)
Effect of Increases and Decreases in Current Assets and Liabilities:	
(Increase) decrease in Other Current Assets	(2,000)
Increase (decrease) in Accounts Payable	2,801
Increase (decrease) in Due to State	<u>(27,563)</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (27,112)</u></u>

The notes to the financial statements are an integral part of this statement.



## NOTES TO THE FINANCIAL STATEMENTS

TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2016

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

The Texas Low Level Radioactive Waste Disposal Compact Commission (the "Commission") is an Interstate Compact enacted into law in Texas and Vermont in 1993 and authorized by the Texas Low Level Radioactive Waste Disposal Policy Consent Act approved by Congress as Public Law 105-236 on September 20, 1998. The State of Texas provides oversight of the Commission and its financial records and practices generally comply with Texas statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts Reporting Requirements for State Agencies. However, the Commission is not considered an agency of the State of Texas. The Commission is considered a discretely presented component unit of a proprietary fund nature for purposes of external financial reporting by the State of Texas.

According to the guidelines of the Interstate Compact, it is the policy of the party states (Texas and Vermont) to cooperate in the protection of the health, safety, welfare, and environment of the citizens of the respective states by providing for and encouraging the safe and economical management and disposal of low-level radioactive waste. Generally, the Commission fulfills its mission through the regulation of the importation of low-level radioactive waste to a host-state licensed low-level radioactive waste disposal site in Andrews County, Texas and the regulation of the exportation of low-level radioactive waste from the Compact party states.

The Commission is governed by an eight member Board of Commissioners with six members appointed by the Governor of Texas and two members appointed by the Governor of Vermont.

**B. PRESENTATION OF FINANCIAL STATEMENTS**

The financial statements of the Commission are presented as a proprietary fund under the governmental financial reporting framework. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the goods and services, such as management of the Commission's operations. Other expenses are nonoperating.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

Proprietary funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into invested in capital assets net of related debt, restricted net position, and unrestricted net position.

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**D. FUND ACCOUNTING**

The Commission utilizes fund accounting and currently reports only one proprietary fund for external financial reporting purposes. All activities of the Commission are accounted for in this fund.

**E. OTHER ACCOUNTING POLICIES**

1. Cash Equivalents

For purposes of the statement of cash flows for proprietary funds, the Commission considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

2. Inventories

The Commission does not report inventories of consumable maintenance and office supplies due to the unused amount of these items being on hand at any given time being deemed immaterial.

3. Capital Assets

Capital assets, which include land, buildings, and furniture and equipment, are reported on the Statement of Net Position when applicable. Such assets are recorded at historical cost and depreciated over the course of their estimated useful life. As of year end, the Commission had no capital assets.

4. Long-Term Debt

Long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position when applicable. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, unless the straight-line method is not materially different, in which case the straight-line method is used. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expense in the year of issuance of the debt. As of year end, the Commission had no short or long-term debt.

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. BUDGETARY DATA**

Budgets are adopted on a basis consistent with generally accepted accounting principles in the United States of America (GAAP). An annual appropriated budget is adopted by the Commission and must conform to the fiscal year of the host state of Texas.

The budget is initially prepared by the Executive Director based on anticipated state funding and expected organization operating costs. The budget is later formally presented to and considered for approval by the Board of Commissioners. Budget amendments may be brought to the Board for consideration and approval as needed throughout the year.

### III. DETAILED NOTES TO FINANCIAL STATEMENTS

#### A. DEPOSITS AND INVESTMENTS

At August 31, 2016, the carrying amount of the Commission's deposits (cash, certificates of deposit, and interest-bearing savings accounts) was \$305,480 and the bank balance was \$305,480.

As of year end these funds were deposited as follows:

Held in State Treasury	\$ 305,480
Total	<u>\$ 305,480</u>

#### B. RESTATEMENT OF NET POSITION

The Commission is required to return to the State any funds received for a given fiscal year that are in excess of operating needs. The repayment of these funds occurs shortly after the conclusion of each fiscal year. In previous years, the Commission accounted for this return of excess funds from the prior year as a reduction of the subsequent year revenues. Starting with the fiscal year ended August 31, 2016, the Commission began recording the amount due back to the state for a given fiscal year as a reduction of the revenue for that year, as opposed to a reduction of revenue for the subsequent year.

The effect of this change in accounting treatment has been applied to the prior year for comparability purposes and is summarized as follows:

Net Position as previously stated 8/31/15	\$ 308,307
Effect of recording the funds due back to state for FY2015 as a liability as of 8/31/15, and therefore a reduction of net position	(307,957)
Net position as restated at 8/31/15	<u>\$ 350</u>

## OTHER INFORMATION



TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED AUGUST 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
OPERATING REVENUES:				
Disposal Fees	\$ 583,300	\$ 583,300	\$ 302,895	\$ (280,405)
Total Revenues	583,300	583,300	302,895	(280,405)
OPERATING EXPENDITURES:				
Professional and Contracted Services	374,000	374,000	256,950	117,050
Travel	89,000	89,000	27,659	61,341
Dues and Fees	10,200	10,200	10,200	-
Materials and Supplies	1,500	1,500	537	963
Communications and Utilities	5,000	5,000	1,612	3,388
Rentals and Leases	42,000	42,000	3,936	38,064
Other Operating Costs	61,600	61,600	2,351	59,249
Total Expenditures	583,300	583,300	303,245	280,055
Change in Net Position	-	-	(350)	(350)
Net Position - September 1 (Beginning) (as restated)	350	350	350	-
Net Position - August 31 (Ending)	\$ 350	\$ 350	\$ -	\$ (350)